

Message Text

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FOR OES

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SUBJ: MEETING WITH GOJ ON KOBATA AND MERYMAN-SUMIDA CASES

REF: A) TOKYO 6270 B) STATE 111194, C) 75 TOKYO 18071

D) TOKYO 766 E) RENE-HUFF TELECON

SUMMARY

AS REPORTED REFTEL A, EMBOFFS MET WITH MINISTRY OF EDUCATION (MOE) OFFICIALS KUNIO SATO (INTERNATIONAL SCIENTIFIC AFFAIRS DIV.), JIN SATO AND KUNIO ARAI (BOTH OF RESEARCH GRANTS DIV.) ON MAY 10 TO DISCUSS KOBATA CASE. SEPARATE MEETING ALSO ARRANGED WITH NHW OFFICIALS KENICHIRO YANAGISAWA, (DEP. DIR., OFFICE OF COUNSELOR FOR S&T) AND KUNIO MIYATAKE (ASSISTANT TO DIRECTOR, NATIONAL HOSPITAL DIV., MEDICAL AFFAIRS BUREAU) TO DISCUSS MERYMAN-SUMIDA CASE. MOFA (TANAKA) ACTED AS COORDINATOR FOR BOTH MEETINGS. ALTHOUGH SOME HEADWAY MADE IN CLARIFYING ISSUES ON BOTH SIDES, MHW REFUSES TO APPROVE DR. SUMIDA'S PARTICIPATION IN LATTER PROJECT. SCICOUNS BLOOM LOOKS FORWARD TO EXPLORING BOTH CASES WITH INTERESTED USG OFFICIALS DURING UPCOMING TRIP TO WASHINGTON FOR SCIENCE ATTACHE CONFERENCE.

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END SUMMARY.

1. DURING MEETING ON KOBATA CASE, SCICOUNS CLARIFIED A NUMBER OF POINTS AMONG WHICH WAS AUDIT PROVISION. DESPITE EARLIER DISCUSSIONS WITH JAPANESE AT WHICH MOFA PRESENT BUT NOT MOE (REFTELS C AND D), MOE HAD EVIDENTLY NOT UNDERSTOOD UP TO THIS TIME THAT NIH HAD AGREED TO DELETE USG AUDIT REQUIREMENT FROM CONTRACT. SCICOUNS STRESSED AGAIN THAT THIS WAS MAJOR US CONCESSION AND JAPANESE AGREED. SCICOUNS ALSO EXPLAINED THAT PATENT AND INVENTION ISSUES HAD BEEN RESOLVED TO SATISFACTION OF JAPANESE SIDE SO FAR AS WE UNDERSTOOD THE SITUATION. MEANING OF FIXED PRICE CONTRACT ALSO DISCUSSED, AND US SIDE AGAIN PROMISED TO DELIVER LEGAL DEFINITION OF SAME TO JAPANESE AS SOON AS RECEIVED FROM WASHINGTON. IN RESPONSE TO QUESTIONS CONCERNING SPECIFIC OBLIGATIONS OF DR. KOBATA UNDER CONTRACT, FUNDING PROVISIONS AND DISPOSITION OF EQUIPMENT SCICOUNS EXPLAINED GENERALLY REQUIREMENTS AND OBLIGATIONS UNDER U S SYSTEM, AND OFFERED TO DISCUSS DETAILS WITH APPROPRIATE USG OFFICIALS DURING HIS VISIT TO WASHINGTON.

2. JAPANESE SIDE ALSO CLARIFIED THEIR THINKING ON SEVERAL SUBJECTS. THEY INQUIRED WHETHER DELETION OF AUDIT REQUIREMENT IN KOBATA CASE COULD BE CONSIDERED PRECEDENT FOR FUTURE CASES. SCICOUNS REPLIED THAT IT WAS TOPIC FOR DISCUSSION BETWEEN WO SIDES, BUT THAT HE COULD NOT COMMIT USG IN ADVANCE. ON RELATED TOPIC, JAPANESE HAVE EXPLAINED PREVIOUSLY THAT RESEARCH MONIES RECEIVED FROM FOREIGN GOVERNMENT WOULD HAVE TO BE PUT INTO NATIONAL TREASUREY. AS RESULT OF DISCUSSION THIS POINT, IT APPEARS MONEY DOES NOT PHYSICALLY ENTER TREASUREY, BUT REATHER IS DEPOSITED IN UNIVERSITY ACCOUNT AND UNIVERSITY MAINTAINS SURVEILLANCE AND CONTROL OF MONEY.

3. MOE OFFICIALS ALSO EXPLAINED THAT IN JAPAN MONEY FOR RESEARCH IS CLASSIFIED AS QUOTE CONTRACT RESEARCH UNQUOTE OR QUOTE SCHLARSHIP DONATION UNQUOTE. LATTER IS SOMEWHAT EQUIVALENT TO GRANT IN US SYSTEM, AND JAPANESE SIDE HAS BEEN THINKING OF KOBATA RESEARCH FUNDS IN THIS SENSE, I.E., ON "NO-STRONGS ATTACHED" BASIS. SCICOUNS STATED IT WAS VERY DOUBTFUL NIH FUNDS COULD BE SUPPLIED UNDER SUCH LOOSE FRAMEWORK.

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4. ONE RELATIVELY MINOR POINT, WHICH NEVERTHELESS SEEMED TO GIVE JAPANESE SIDE PAUSE, WAS QUESTION OF USG RIGHT TO TAKE BACK EQUIPMENT IF IT IS NOT IN FACT BEING UTILIZED IN RESEARCH WORK FOR WHICH IT WAS ORIGINALLY SUPPLIED. SCICOUNS EXPLAINED CONTRACT TERMINOLOGY, BUT NOT CLEAR AT THIS POINT WHETHER JAPANESE SIDE ENTIRELY SATISFIED ON THIS QUESTION.

5. BOTH SIDES EXPRESSED VIEW THAT MEETING HAD BEEN VERYUSEFUL,

AND KUNIO SATO SPOKE BRIEFLY TO THE POSSIBILITY OF USING KOBATA CASE TO SEEK GENERIC SOLUTION TO BASIS QUESTION OF USG RESEARCH SUPPORT TO JAPANESE SCIENTISTS IN NATIONAL INSTITUTIONS. NOTE: TANAKA (MOFA) LATER CALLED EMBASSY TO SAY THAT MOE LOOKING FORWARD TO MEETING AGAIN EARLY IN JUNE AFTER RETURN OF SCICOUNS: HE REITERATED THAT PROGRESS IN NEGOTIATION HAD BEEN MADE.

6. EMBOFFS ALSO MET ON MAY 10 WITH NHW OFFICIALS ON MERYMAN-SUMIDA CASE. IT IS CLEAR JAPANESE LOOK UPON THIS CASE AS UNDER SAME STRICTURES AS KOBATA CASE AND THAT RELUCTANCE ON JAPANESE SIDE IS DUE TO POSSIBLE POLITICAL EMBARRASSMENT TO MINISTRY PRINCIPALS. REFERENCES WERE MADE ON SEVERAL OCCASIONS DURING RECENT DISCUSSIONS TO CIA FUNDED RESEARCH IN JAPAN (THESE REMARKS MADE IN CONTEXT OF LOCAL PRESS ACCUSATIONS) AND TO FORMER ARMY RESEARCH ORGANIZATION. FEAR THAT OPPOSITION PARTIES MIGHT RAISE QUESTIONS IN DIET CONCERNING USG-FUNDED RESEARCH BY JAPANESE NATIONAL EMPLOYEES (I.E., EMPLOYEES WORKING T GOJ-FUNDED INSTITUTIONS) APPEAR TO OVERRIDE GENUINE UNDERSTANDINGBY MHW OFFICIALS OF PROPOSED COOPERATIVE RESEARCH PROJECT AND APPRECIATION OF IMPORTANCE OF PROGRAM.

7. SCICOUNS REVIEWED PROPOSED CONTRACT WITH NHW REPS AND PROMISED TO DICUSS CERTAIN SPECIFIC QUESTIONS WITH KNOWLEDGEABLE OFFICIALS IN WASHINGTON. JAPANESE CONCERNS CENTERED AROUND QUESTION OF DR. SUMIDA'S RELATIONSHIP WITH US RED CROSS AND WITH DR. MERYMAN, NATURE OF CONTRACT PROVISIONS CONCERNING SUMIDA'S WORK, AND FUNDING MECHANISM AND CONTROL PROVISIONS ON JAPANESE SIDE. (NOTE: CERTAIN SPECIFIC POINTS CLARIFIED AFTER MEETING FOLLOWING EMBOFF REFTTELECON WITH DR. RENE.) CONCERNING FUNDING PROBLEMS ON GOJ SIDE, SCICOUNS INDICATED U.S. COULD BE RATHER FLEXIBLE AND LIMITED OFFICIAL USE

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SUGGESTED SUCH ALTERNATIVES AS A DIRECT TRANSFER OF MONEY FROM U.S. RED CROSS TO FUKUODA BRANCH OF JAPAN RED CROSS, NHW FUNDING OF JAAPANESE PORTION OF RESEARCH, OR TRANSFER OF FUNDS FROM USG TO MHW DIRECTLY. AS SECONDARY ISSUE, MHW REPS ALSO STATED THEY WERE HAVING MANAGEMENT PROBLEMS AT FUKUOKA NATIONAL HOSPITAL DUE TO JEALOUSY OF SUMIDA'S COLLEGUES OVER HIS RESEARCH WORK AT WHAT IS NON-RESEARCH FACILITY.

8. DURING DISCUSSION, MHW SUGGESTED THAT BEST WAY TO AVOID POLITICALLY SENSITIVE ISSUES WOULD BE TO HAVE SUCH PROPOSED PROJECTS INSTITUTED DIRECTLY UNDER SOME UMBRELLA AGREEMENT SUCH AS US-JAPAN COOPERATIVE MEDICAL SCIENCES PROGRAM. SCICOUNS SAID US SIDE WILLING TO DISCUSS SUCH POSSIBILITY BUT THIS RAIED GENERIC QUESTIONS ND WULD REQUIRE CONSIDERABLE TIME.

9. ON MAY 12 EMBOFF WAS ASKED TO MEET AGAIN WITH MHW REPS AND WAS INFORMED THAT AFTER CONSIDERATION N MINISTRY, DECISION WAS THAT MHW COULD NOT APPROVE DR. SUMIDA'S PARTICIPATION IN THIS RESEARCH PROJECT. MHW POSITION IS THAT UNLESS AND UNTIL MOE REVISES ITS STRICTURES AGAINST USG FUNDED MEDICAL RESEARCH FOR JAPANESE NATIONAL EMPLOYEES (WHICH HAVE HELD UP APPROVAL OF KOBATA RESEARCH CONTRACT) MHW CAN NOT APPROVE PROJECTS LIKE MERYMAN-SUMIDA ONE (WHICH JAPANESE CONSIDER IDENTICAL TO KOBATA CASE).

10. SCICOUNS ARRIVING WASHINGTON MAY 15 AND WILL MAKE APPOINTMENTS TO DISCUSS BOTH MERYMAN-SUMIDA AND KOBATA CASES WITH INTERESTED USG OFFICIALS.
HODGSON

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